

**OGC Has Reviewed**

*Liaison*

C O P Y

30 January 1948

Mr. Robert C. Loker, Chief  
Wage and Excise Tax Division  
Collector of Internal Revenue  
222 East Redwood Street  
Baltimore, Maryland

Dear Mr. Loker:

STATINTL

This is to confirm our conversation of 28 January 1948. [REDACTED] were present representing the Central Intelligence Agency.

It is our understanding that the following procedures will be used by the Bureau and CIA in filing tax returns required by the existing Federal tax laws. These procedures are requested to preserve the security necessary in the operations of CIA.

1. Form W-1, required to be filed quarterly, will be sent by CIA to you by registered mail. There will be only one form each quarter for all offices and branches of CIA. It is possible that the W-1 will be accompanied by one or more checks.

2. Before the first of February of each year, a final W-1, W-3, and copies of the W-2 (Form W-2a) will be delivered to you personally. There will be one consolidated W-3 for all branches and offices of CIA. As indicated in paragraph 1 above, there will be only one W-1. There will be one or more checks in payment of the total amount indicated on the W-1. Item 1 of the W-3 requesting total number of employees will not be completed and will be left blank. Accompanying the W-2a's will be a complete adding machine tape listing all of the W-2a's. The W-2a's and the W-2's will indicate as the employer only "U. S. Government".

3. When the final W-1, W-3, and W-2a's are delivered to you, together with the checks and the adding machine tapes, it is understood that you will verify the W-1 and W-3 with the accompanying checks and perform required checks

on the tape and W-2a's. After verification, the W-2a's will be dispersed in small lots into the normal process of forwarding similar W-2a's to the central collating point which is now in St. Louis, Missouri. It is understood that in each day's business, a number of boxes containing W-2a's are forwarded, and that the W-2a's of CIA will be scattered throughout such boxes as are being forwarded on the date of receipt of CIA W-2a's. In other words, all CIA W-2a's will leave your office on the same day of receipt. After any additional verification and recapitulation are done, the adding machine tape of the W-2a's will be destroyed by you. This will leave in your office the W-3 and the W-1 showing only the total dollar amounts, giving no breakdown of the individual W-2a's.

4. The above-mentioned details will be handled in the Office of the Collector of Internal Revenue personally by you.

We feel that adherence to the above-described procedure will afford the necessary protection from a security standpoint to the operations of CIA. If the above is in accordance with your understanding, will you kindly acknowledge receipt of this letter by signing the enclosed copy in the space provided. If there are any items on which there is a misunderstanding, will you please notify the undersigned. We wish to thank you for your wholehearted cooperation in arranging this procedure and handling the details to carry it through.

Very truly yours,

STATINTL

Assistant General Counsel

APPROVED:

/s/ ROBERT C. LOKER (2-13/48)  
ROBERT C. LOKER  
Chief, Wage and Excise Tax Division  
Collector of Internal Revenue

*C.R. 632 Income tax withholding*